

DK# 02-70

Arthur Stamoulis
3514 Lancaster Ave Apt 207
Philadelphia, PA 19104

COMMENTS ON THE PROPOSED MERGER OF AT&T BROADBAND AND
COMCAST (DK# 02-70)

Since the 1996 Telecom Act, huge media conglomerates have been merging into even hugger media conglomerates at an unprecedented rate. During this time, big media and their friends in government have dismissed this extreme consolidation of media power, saying "the Internet will set us free." These CEOs, lobbyists and deregulation regulators have told us we shouldn't worry that the U.S. media system is dominated by fewer than ten massive transnational corporations, because all the diversity of news and information we need for a healthy democracy can be found on the World Wide Web.

Now we are faced with the merger of the nation's first and third largest cable companies, and that one last bastion of diverse information and media democracy is under attack. The FCC should strongly oppose any merger between AT&T Broadband and Comcast as terrible for the Internet and terrible for democracy.

The proposed AT&T Comcast would unarguably become the nation's biggest cable provider, reaching approximately half of all cable subscribers and providing television services to almost a third of all American households. This would clearly provide the proposed conglomerate with an unheralded amount of power in the cable television arena, but would give it an enormous power in the emerging cable Internet industry as well.

To begin with, control of this huge a market share in the industry will allow the proposed company to charge consumers unreasonably high cable rates. Since the 1996 Telecom Act, cable costs have risen at a rate three times greater than the rate of inflation. Here in Philadelphia -- "Comcast Country" -- consumers have been hit hard by the cable industry's greed. Comcast's near-monopoly power in the region allows it to charge some of the highest cable rates in the nation.

There is already a shameful "digital divide" in America. If companies as large and powerful as the proposed AT&T Comcast become the major players in cable Internet access, the information divide between rich and poor in America could become even wider. A high-speed Internet that is only accessible to those with considerable incomes is certainly not in the nation's interests and should be vigorously opposed through public-interest regulation.

This likely increase in consumer costs for access to high-speed cable Internet connections is reason enough to oppose the AT&T Broadband/Comcast merger. Unfortunately, it is

not only consumers' access to the Internet that is threatened by the proposed merger. Both AT&T and Comcast strongly favor slamming the door shut on open access to the Internet. This will have dire consequences even for those consumers who can afford their considerably high prices.

With control over the cable lines reaching half the nation's cable subscribers, the potential clearly exists for AT&T Comcast to strongly influence the ways consumers surf the new high-speed Web. Through a variety of data management, proprietary content and differentiated service schemes designed to help AT&T Comcast make more money, Internet users' access to different types of information will be subtly but substantially altered. Put simply, AT&T Comcast will have the power to control which websites get "prime real estate" and which get the "pipeline space" to provide the fastest streaming content.

AT&T Comcast will get to choose who is featured on its start-up pages and the browsers it promotes. It will get to choose which content-providers get bundled together in well-marketed pay-for-view services (just as cable networks choose which stations they bundle in with which package). It will get to choose how much it will charge website operators to offer streaming video content on their pages. It will even have the power to choose which Web portals get buttons on the new Interactive Television remote controls. For half of the American people, these choices will be the only option available, if they want high-speed cable Internet access.

As a for-profit company, the proposed AT&T Comcast would obviously have every reason to help the "Information Superhighway" in its transformation into one big shopping mall. And as a massive for-profit company, the proposed AT&T Comcast would actually have the power to do so. AT&T Comcast would be so large and powerful, decisions it made would help influence the entire Web's content and structure. Decisions like this should be made democratically, not by one (or several) huge corporations.

Today, we will undoubtedly hear the argument that consumers' potential to choose between cable, telephone and satellite Internet connections will provide too much competition for any one company to hold so much power. There is little reason to believe that a next round of mergers between satellite, telephone and cable Internet providers aren't already being thought about. Putting that frightening potential aside, however, it should be clear that three choices are not enough. The proposed AT&T Comcast would have too much power, even if challenged by telephone and satellite Internet service providers. The FCC must do more than point towards phone companies and satellite companies to protect both consumer choice and the content and structure of the Web.

The AT&T Broadband and Comcast merger would allow much too much power over the Internet to be placed into one corporation's hands. The nation's interests require both a diversity of media content and a diversity of media control that AT&T Comcast would severely compromise.

